

**REMARKS/ARGUMENTS**

**Amendments**

Before this Amendment, claims 1-20 were present for examination. No claims are amended, canceled, or added by this paper. Therefore, claims 1-20 are present for examination, and claims 1 and 11 are the independent claims. No new matter is added by these amendments.

Applicants respectfully request entry of this amendment and reconsideration of this application.

**Objection to the Specification and Rejection Under 35 U.S.C. § 112, second paragraph**

The Office Action has objected to the specification, and has rejected claims 11-20 under 35 U.S.C. § 112, second paragraph as allegedly failing to particularly point out and claim the subject matter which Applicants regard as the invention. Specifically, the Office Action objects that there is insufficient "antecedent basis" for the means-plus-function elements in claim 11, and alleges that the specification does not clearly link structure to these elements. The Office Action further alleges that no structure was implicitly described in the specification "in such a manner that it would have been obvious to one of ordinary skill in the art at the time of the invention." (Office Action p. 3).

Applicants respectfully traverse. Paragraph [0043] of the specification indicates that the "present invention may be implemented with any combination of hardware and software. If implemented as a computer-implemented apparatus, the present invention is implemented using means for performing all of the steps and functions described above." In one instance then, the "means" of claim 11 may be any combination of computer hardware and software. A person of ordinary skill in the art would readily recognize that the merchant POS equipment, debit network, and other components depicted in Figure 1 and described in the specification are conveniently implemented with combinations of computer hardware and software.

Besides the general statement of paragraph [0043], the specification provides other examples of structure for performing the functions recited in claim 11. For example, paragraph [0023] describes "POS equipment" that "can be a contactless chip card reader or a traditional magnetic stripe reader." The POS equipment is an example of *means for receiving a form of account identification at an electronic transaction device to initiate a transaction*, as recited in element (a) of claim 11. In another example, the "merchant POS equipment or the terminal driving software identifies the SIC code or the MCC for that merchant." (Specification paragraph [0024]). These are examples of *means for obtaining the merchant category for each initiated transaction*, as recited in element (d) of claim 11. In another example, paragraph [0026] explains that "the acquirer processor may execute an edit against the transaction to ensure that PINless transactions are below the SIC/MCC threshold amount using table A...." Thus, table A and its associated computer are examples of *means for comparing the inputted transaction amount to the transaction threshold associated with the merchant*. Other examples may be found in the specification.

Furthermore, "disclosure of structure corresponding to a means-plus-function limitation may be implicit in the written description if it would have been clear to those skilled in the art what structure must perform the function recited in the means-plus-function limitation." (MPEP 2181)

Applicants respectfully submit that one of skill in the art would readily recognize the structure explicitly and implicitly disclosed in the specification for performing the functions recited in the means-plus-function elements of claim 11, and respectfully request that the objection and rejection be withdrawn.

**Rejection under 35 U.S.C. § 103(a)**

The Office Action has rejected claims 1-20 under 35 U.S.C. § 103(a) as being allegedly unpatentable over the cited portions of Berardi et al., U.S. Patent Publ. 2004/0049451 ("Berardi") in view of the cited portions of Langhans et al., U.S. Patent 5,621,201 ("Langhans").

Applicants' claims recite a system and method for determining whether to require a user to enter a secret code (such as a personal identification number, or PIN) into an electronic

transaction device for completing selected merchant transactions. A table includes a plurality of merchant categories and transaction threshold amounts for each category. A transaction amount for a transaction is compared with the transaction threshold associated with the merchant at which the transaction is conducted, and the secret code is required if the transaction amount exceeds the threshold.

Claims 1-10

Claim 1 recites in part that *the table resides at the electronic transaction device and step (e) is performed by the electronic transaction device, or wherein the table resides at a terminal driver and step (e) is performed by the terminal driver, or wherein the table resides at an acquirer processor and step (e) is performed by the acquirer processor, or wherein the table resides at a payment network and step (e) is performed by the payment network.*

The Office Action relies on Langhans to teach or suggest that *the table resides at a payment network and step (e) is performed by the payment network.* Applicants respectfully disagree.

Step (e) of claim 1 recites *comparing the transaction amount to the transaction threshold associated with the merchant.*

In support of the rejection, the Office Action cites Langhans' Figure 8 and related text. Applicants believe the text related to Figure 8 is column 5 line 62 through column 6 line 44 of Langhans. This passage states explicitly that an "authorization request is transmitted to corporate card processor 70 for authorization." (Langhans col. 6 lines 34-35). As Applicants have previously explained, Langhans' corporate card processor is in a position analogous to that of a card issuer in Applicants' system, and Langhans' corporate card processor is not a *payment network*. In fact, Langhans' corporate card processor "is **connected** to a network, such as VisaNet network 94." (Langhans col 6 lines 11-12, emphasis added).

Langhans does indicate that the VisaNet system can stand in for some functions if the corporate card processor is unavailable, but makes clear that the stand-in processing is limited, for example to "card number verification, PIN verification and balance verification."

(Langhans col. 6 lines 39-42). Langhans makes no suggestion that the VisaNet system can compare a transaction amount with any merchant-specific threshold.

Because Langhans does not teach that for which it is relied upon, the Office Action has not made out a *prima facie* case of obviousness with respect to claim 1, and claim 1 is believed allowable over the cited references. Claims 2-10 depend from claim 1 and add further limitations, and are believed allowable for at least this reason.

Furthermore, as Applicants have previously explained, the combination of Berardi and Langhans would result in excessive network traffic, which Applicants' invention avoids. Neither Berardi nor Langhans alone encounters the problem of excessive network traffic, and they therefore provide no rational basis for modifying them to alleviate this problem in the manner recited in Applicants' claims.

Claims 11-20

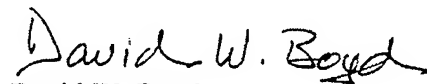
Claims 11-20 recite apparatus that perform functions similar to the methods of claim 1-10, and are believed allowable for the reasons given above with respect to claims 1-10.

CONCLUSION

In view of the foregoing, Applicants believe all claims now pending in this Application are in condition for allowance and an action to that end is respectfully requested.

If the Examiner believes a telephone conference would expedite prosecution of this application, please telephone the undersigned at 303-571-4000.

Respectfully submitted,



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